

CMP 10 grapples with issues over Kyoto Protocol's second commitment period

Kuala Lumpur, 19 Dec (Hilary Chiew) – The 10th Conference of the Parties serving as the meeting of the Parties to the Kyoto Protocol (CMP10) adopted decisions in two plenary sessions on 12 and 13 Dec.

The key decisions adopted are “Implications of the implementation of decisions 2/CMP7 to 4/CMP7 and 1/CMP8 on the previous decisions on methodological issues related to the Kyoto Protocol (KP), including those relating to Articles 5, 7 and 8 of the KP”, “Report of the Adaptation Fund Board”, “Second Review of the Adaptation Fund” and “Report on the high-level ministerial round table on increased ambition of KP commitments”.

Below are highlights and decisions on the deliberation of these four issues:

Implications of the implementation of decisions 2/CMP7 to 4/CMP7 and 1/CMP8 on the previous decisions on methodological issues related to the Kyoto Protocol (KP), including those relating to Articles 5, 7 and 8 of the KP

On 12 Dec. the Subsidiary Body for Scientific and Technological Advice (SBSTA) Chair Emmanuel Dumisani Dlamini reported to the CMP plenary that although significant work was carried out on this agenda item (at the request of the CMP), it could not be concluded. The CMP, thus requested the SBSTA to continue its consideration of these implications at SBSTA42 (June 2015) on the basis of the draft decision texts available in the annex, with a view to recommending draft decisions on this matter for adoption at CMP11 next year.

Switzerland said it is in the process of ratification of the second commitment period of the Kyoto

Protocol (CP2) and is already implementing the rules for the second commitment period (CP2). It strongly opposed any statements that purposely delayed the process. It called to attention the legitimate technical difficulties faced by many countries without yet having to adopt rules to guide them and the long and resource-intensive process to update accounting rules for the CP2.

It pointed out that (work done) in Lima was near completion except for one paragraph that stood in the way. It urged Parties that are Economies-in-Transition (EIT) and other developing countries to ensure the environmental integrity of the system and to resolve the “carry-over” issue here in Lima.

It opined that only the issue of use and transfer of the units from the previous commitment period related to EIT needed to be considered at SBSTA42 while the rest of the issues could be concluded in Lima. It said Parties (referring to Annex I) need the technical guidance to be adopted this year as they would be submitting reports and that Parties made enormous progress in making the rules for the ratification of the CP2.

The contentious paragraph is included in the 18-paragraph annex attached to the draft decision and the last paragraph in bracket reads:

[Requests the Subsidiary Body for Scientific and Technological Advice, to consider, at its fortieth second session, whether the reference to assigned amount in paragraph 25 of decision 1/CMP.8 for a Party included in Annex I undergoing the process of transition to a market economy should be understood as referring to the assigned amount for

the second commitment period calculated pursuant to Article 3, paragraphs 7 bis, 8 and 8 bis, adjusted by the number of assigned amount units cancelled in accordance with paragraph 23 ter.]

Echoing Switzerland, the **European Union (EU)** expressed concerns that without a decision here in Lima, the full technical implementation of the CP2 will face challenges at this stage. Therefore, it supported the move to consider the outstanding issue in a separate discussion session (i.e. later in SBSTA42 next June).

Norway said it was most unfortunate that Parties were unable to reach agreement on this matter, noting that out of the 51-page document, only one issue remained. It had hoped to adopt the full text here but forward the outstanding issue to next year so that the (technical guidance in) decision can guide implementation of the CP2.

Australia expressed disappointment that the elaboration of the rules concerning EITs could not be agreed here. It said in Doha (COP18), Parties agreed to the Doha Amendment (that paved the way for CP2) and it had joined others in inscribing its commitment on the basis of those amendments. It urged all Parties to double their efforts to reach an agreement.

The **Russian Federation** (one of the Parties with EIT) objected to Switzerland's proposal and said that it was highly regrettable to reopen the issue and invite Parties to go into the substantive details in the 11th hour. It believed that the issue was complex and there was insufficient time to address this issue. It said it had clearly indicated support for the conclusion to move deliberations to SBSTA42, next year.

Belarus also said it could not accept Switzerland's proposal and objected to splitting of the draft decision to two parts and preferred to continue working on this issue at the next SBSTA session in Bonn.

Chairing the session, COP20/CMP10 Vice-president Jorge Voto-Bernales said that having heard the proposal by Switzerland and the interventions by Russian Federation and Belarus, he gavelled the decision for the item to proceed on the basis that the matter be further considered at SBSTA42.

Report on the high-level ministerial round table on increased ambition of KP commitments

There was no consensus on the way forward on the issue of the increasing the ambition of Parties for CP2. CMP10 Vice-president Voto-Bernales of Peru said that the item will be included on the provisional agenda for next year's CMP11 in accordance to rules 16 of the draft rules of procedure.

From the outset of the opening of the CMP meeting, the **G77-China** had requested for a contact group to deliberate this agenda item but this was rejected by Annex I Parties. Dissatisfied with the lack of ambition by Annex Parties I where none of them have declared their intention to increase their commitments during the ministerial roundtable held in June 2014, the G77-China reminded developed countries of the low targets adopted at the Doha CMP (in 2012), which was a political compromise for the sake of the multilateral process. The G77 and China said that developing countries agreed to the Doha decision on the CP2 under the pre-condition that developed countries agree to increase their ambition through a revisit mechanism.

Several rounds of informal consultations were facilitated by the COP President Manuel Pulgar-Vidal on the matter but to no avail. (Please see TWN Lima News Update No. 10)

China said increasing ambition under the CP2 of KP is crucial in providing impetus to the Doha Amendments. It regretted that due to the objection of some Parties there could be no written summary of this item, noting that the G77-China had worked very hard in requesting for a contact group on the matter. It hoped that relevant Parties will exhibit the good faith and realise their ambition targets in order to provide tangible results at the Paris conference.

Report of the Adaptation Fund Board

The 9-page decision of the CMP on the report of the Adaptation Fund Board noted "with concern the level of market prices for certified emission reductions and their expected impact on the availability of funding from the Adaptation Fund and on its ability to fulfil its mandate."

In paragraph 6 of the decision, the CMP welcomed "the target for the resource mobilization strategy set by the Adaptation Fund Board of USD 80 million per calendar year in 2014 and 2015."

Paragraph 7 encouraged “Parties included in Annex I to the Convention to provide funding to support the target referred to in paragraph 6 above and to scale up funding, with a view to the resource mobilization goal of the Board being reached from resources that are additional to the share of proceeds from Clean Development Mechanism project activities, the first international transfers of assigned amount units and the issuance of emission reduction units for activities under Article 6 of the KP.”

The decision, in paragraph 8, welcomed “the financial contributions that have been made to the Adaptation Fund in 2014 and the pledge of EUR 50 million made by Germany towards the target referred to in paragraph 6 above.”

In paragraph 10, it requested the Adaptation Fund Board, in its future reports to the CMP, “to provide further clarity on the effect of the fluctuation of the price of certified emission reductions and the impact of this fluctuation on the resources available to the Fund.”

Second Review of the Adaptation Fund Board

The decision on the second review of the Adaptation Fund Board “underlined the crucial importance of the Adaptation Fund as an essential channel for supporting adaptation action and the main promoter of direct access, together with its

focus on funding the full costs of concrete adaptation projects and programmes in developing countries.”

It also noted “with deep concern the continued issues related to the sustainability, adequacy and predictability of funding from the Adaptation Fund, given the current prices of certified emission reductions, which affect its ability to fulfil its mandate.”

In paragraph 6 of the decision, the CMP requested “the Adaptation Fund Board to consider options for developing operational linkages, as appropriate, between the Adaptation Fund and constituted bodies under the Convention, taking into consideration the mandates of the respective bodies.”

In paragraph 8, it decided “to extend to June 2017 the interim arrangements with the secretariat of the Adaptation Fund Board and the trustee of the Adaptation Fund, with a view to further consideration by the CMP of options for permanent institutional arrangements for the secretariat and trustee, including via an open and competitive bidding process and on the basis of the cost and time frame of each option and its legal and financial implications.”